



FOREIGN POLICY BULLETIN

An interpretation of current international events by the Research Staff of the Foreign Policy Association

FOREIGN POLICY ASSOCIATION, Incorporated

22 East 38th Street, New York 16, N. Y.

VOL. XXIII, No. 8

DECEMBER 10, 1943

CAIRO PACT ACCELERATES CHINA'S RISE TO GREAT POWER STATUS

THE published decisions reached at Cairo during November 22-26 by Roosevelt, Churchill and Chiang Kai-shek have been welcomed in this country as important additions to the results achieved by the Moscow conference of Foreign Ministers in October. It is widely recognized that the agreement to strip Japan of Pacific islands occupied since 1914, to restore to China all territories seized by Japan—such as Manchuria, Formosa and the Pescadores Islands—and to deprive the enemy of all other areas “taken by violence and greed” goes a long way toward defining “unconditional surrender” in Far Eastern terms. The expression of Allied determination that “in due course Korea shall become free and independent” is regarded as a desirable pledge of freedom to a people long enslaved by Japan—a pledge which is strengthened, in view of the qualifying clause it contains, by the declaration that the Allies “covet no gain for themselves and have no thought of territorial expansion.” At the same time, the opening sentence of the Cairo communiqué—“the several military missions have agreed upon future military operations against Japan”—indicates that thought was given to the means of achieving the political objectives set forth.

CHINA'S NEW EQUALITY. The most important aspect of the three-power agreement is not the punishment with which it threatens Japan, but the recognition it both grants and promises to China. The fact that the Generalissimo conferred on terms of equality with the heads of the British and American governments represents the greatest advance yet made in the establishment of China's position in the ranks of the United Nations' Big Four. This is the kind of recognition for which Chinese nationalists have been struggling and dying for many decades. That the result has lost something of its savor because it is so long overdue, and because the present position of the Chinese is so difficult, should not blind us to

the revolutionary significance of the event. For the first time in history the rise of a semi-colonial nation to the status of a great power is being acknowledged and encouraged.

It has been suggested in some circles that China's present strength does not warrant its elevation to the rank implied by the Cairo communiqué and the Moscow Four-Nation Declaration. According to this view, the Chinese, although fourth in stature among the United Nations, are in a different power class from the Americans, British and Russians. This last assertion is unquestionably true as a statement of fact, but the conclusion drawn from it misses the mark. China has now reached a point at which it has the possibility over a period of years of becoming a truly great power, perhaps the leading state in Asia. Whether this possibility will be realized and, if so, how long a period will be required are matters beyond accurate prediction. What Britain and the United States have done at Cairo is to give China assurances that several territorial obstacles will not be placed in the way of its future development. They have not by any means disposed of all possible external obstacles to that development, nor have they given guarantees that China will become a great power; for their policies toward the Chinese Republic are still in the process of evolution, while, with the best of will, no nation can guarantee the future of another. They have simply promised China, to a larger extent than ever before, that it will bear responsibility for its own future.

THE RUSSIAN ATTITUDE. That the U.S.S.R. was not represented at Cairo and that Chiang Kai-shek did not subsequently go to Teheran was due presumably to the present state of Soviet-Japanese neutrality. But this should not be taken as indicating any lack of interest on the part of the U.S.S.R. in the decisions reached, especially those concerning Korea and Manchuria, which lie on its Far Eastern

borders and affect its security. Nor should it be forgotten that the decisions reached at Moscow in October laid the basis for the Cairo meeting. We do not know what discussions of Far Eastern matters may have occurred among the United States, Britain and the U.S.S.R., but it seems exceedingly doubtful that Washington and London would make pledges on Manchuria and Korea at this stage of the war if they had not first established a firm basis of cooperation with the Soviet Union or if they knew that the U.S.S.R. was opposed to any particular move.

WHY WAS HONGKONG OMITTED? The chief criticism raised concerning the Cairo communiqué is that it omitted a number of points of importance for the future of the Far East, namely, the status of Hongkong, the Netherlands East Indies and other colonial areas. There is no doubt that, without the settlement of these problems, the future of the Far East will be dark. But was this the occasion for a settlement? Could it be expected that the first time the United States, Britain and China conferred on a basis of equality they would dispose of all Asiatic problems? Very wisely, the conferees decided to limit themselves to certain aspects of that immediate problem on which they were most capable of reaching agreement: the disposition of the enemy.

At the same time, a realistic view of the Cairo decisions suggests that they will facilitate the solution of many problems that were not mentioned. The pledge of independence to Korea, even though qualified by the phrase "in due course," and the promise of the return of Chinese territories surely have im-

plications for the future of colonial Asia. With regard to Hongkong in particular, although Britain will be extremely reluctant to see the territory return to China after the war, it is difficult to escape the conclusion that the Cairo conference has strengthened China's hand in any efforts it may make to seek retrocession.

These considerations suggest that the results achieved at Cairo should be regarded not as an end-point, but simply as one step in a long, arduous process—the process of winning the Far Eastern war, establishing a sound peace in that region and adjusting the Western world to the new importance of Asiatic countries, especially China. If it is true that many questions remain, it is also worth noting that several issues that previously disturbed American-British-Chinese relations, have been pushed toward solution. This is especially important in connection with the complaint voiced by the Chinese until recently that they were not being consulted on an equal basis in Far Eastern military discussions. Similarly, Chinese fears that Formosa would not be returned to their sovereignty because some Americans believed that the island should become a United Nations base presumably have been relieved. Therefore, while the progress made at Cairo is neither complete nor irrevocable and does not preclude the emergence of extremely acute differences in the future, it certainly constitutes a significant forward move and can lay the basis for other, equally fruitful discussions.

LAWRENCE K. ROSINGER

TEHERAN ACCORD PLEDGES FREEDOM OF SMALL NATIONS

While the conference held by Roosevelt, Churchill and Stalin at the Soviet Embassy in Teheran—technically on Russian territory—from November 28 to December 1 produced no such far-reaching declaration about the future of Germany as that made in Cairo concerning the disposal of Japan's conquests in Asia, it resulted in three important statements. First—and, from the point of view of Moscow, foremost—the three participants declared that they had "reached complete agreement as to the scope and timing of operations which will be undertaken from the east, west and south" against Germany, thus disposing, so far as diplomatic negotiations are concerned, of the "second front" issue. Second, they invited Germany's satellites to desert the Nazis and join the United Nations by declaring that they will seek "the cooperation and active participation of all nations, large and small, whose peoples in heart and in mind are dedicated, as are our own peoples, to the elimination of tyranny and slavery, oppression and intolerance." Third, and perhaps, for the long run, most important, Russia, Britain and the United States assured Iran in a separate declara-

tion that they are at one with its government "in their desire for the maintenance of the independence, sovereignty and territorial integrity of Iran," adding that they "count upon the participation of Iran, together with all other peace-loving nations, in the establishment of international peace, security and prosperity after the war, in accordance with the principles of the Atlantic Charter, to which all four Governments have continued to subscribe."

As political and military conferences among the four great powers—Britain, Russia, China and the United States—alternate with technical conferences of the United and Associated Nations, such as the Food Conference in Hot Springs and the United Nations Relief and Rehabilitation Council in Atlantic City, the pattern of future relations between great powers and small gradually begins to unfold. It has been clear for some time that, unless those countries which have at their command great military and economic power can reach an agreement as to their war and post-war plans, there can be little or no hope of world organization once hostilities are over. But it has been equally clear that if such agreement is

reached at the expense, or to the detriment of, weaker peoples—whether the long-established small national states of Europe or the emerging national groups of Asia—it would not survive the stress and strain of post-war readjustments.

FORGING A NEW ORDER. The compromise now being worked out at successive United Nations conferences represents an attempt to combine recognition of the equal rights of all nations, large and small, to a voice in the determination of their future destiny, with a graduated scale of responsibilities for each nation, determined roughly by the power at its command. It is obvious that Britain, Russia, China and the United States are in a better position—not through any inherent virtue, but because of the magnitude of their territory, population, natural resources, or industrial development—to resist aggression than, for example, Poland, Greece, or Burma. But if this fortuitous power should be used by Britain, Russia, China and the United States, alone or in concert, to impose their will on smaller nations, recurring conflicts, rather than the prospect of post-war stability, would be in store for the world. The small nations are ready and willing to acknowledge the superior strength of the great powers, and to rely on that strength for their future protection. In fact, a complaint the small nations could legitimately lodge against the great powers, especially Britain and the United States, is that, in the recent past, they claimed superiority without displaying the will or capacity to defend not only weaker nations, but even their own colonies. What the small nations want is not to vie with the great powers for military, political or economic leadership, but to obtain protection from encroachments by any one of them, and the opportunity to develop, in relative peace, the practices and beliefs that are the core of genuine nationalism. Such opportunity can come only if the great powers, in turn, are at peace among themselves. Otherwise, they

will continue to use the small nations as pawns in their own struggle for ascendancy, and thus encourage their weaker neighbors to play one great power against another.

To effect the transition to a world order where all nations would enjoy equality of rights, and assume responsibilities commensurate with their strength, will not be an easy matter. This was indicated by a speech Jan Smuts, Prime Minister of the Union of South Africa, delivered in London on November 25, in which he urged Britain to draw within its orbit the "small democracies in Western Europe," so as to counterbalance the growing might of Russia and the United States. Such a policy would be in direct contradiction to that being evolved at the conferences of the United Nations, where an attempt has been made to reach agreements on a global basis, not on the basis of new spheres of influence subject to this or that great power.

NEW PROBLEMS FACE ALLIES. But even when the Allies act in concert on the continent of Europe, their decisions are bound to provoke objections from one group or another among the nations affected. While Britain and the United States are being denounced by Italian liberals under the leadership of Count Sforza and Benedetto Croce for perpetuating fascism in southern Italy through their toleration of King Victor Emmanuel, they are being attacked with equal bitterness by the government of King Peter of Yugoslavia, now in Cairo, for their alleged connivance in the establishment of a provisional régime by the Yugoslav Partisans, announced on December 4. The great powers, which had been hitherto working on the assumption that the armies of liberation would be greeted by grateful populations too weary to take the initiative in effecting their own rehabilitation, and would, for an indefinite period of time, be charged with the administration of liberated areas, are now discovering that the conquered peoples want to have a share in the reconstruction of a continent which, had it not been for their resistance, would by now be irretrievably subject to German rule. What is more, the best hope that the peoples of Europe can recover from the ravages of Nazism lies in their desire to choose their own way of life; and the best hope of enlisting their support for the plans of the great powers is to assure them, by concrete measures, that what the great powers expect is not sullen acquiescence, but voluntary and active collaboration.

VERA MICHELES DEAN

What role will Russia play in post-war Europe? For a survey of some of the basic questions that preoccupy public opinion in the United States today, READ—

THE U.S.S.R. AND POST-WAR EUROPE

by Vera Micheles Dean

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Vol. XIX, No. 11, of FOREIGN POLICY REPORTS

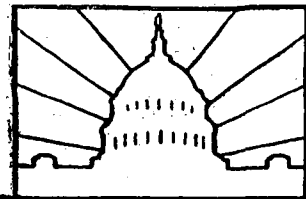
REPORTS are issued on the 1st and 15th of each month.

Subscription \$5; to F.P.A. members \$3.

FOREIGN POLICY BULLETIN. Vol. XXIII, No. 8, DECEMBER 10, 1943. Published weekly by the Foreign Policy Association, Incorporated. National Headquarters, 22 East 38th Street, New York 16, N. Y. FRANK ROSS MCCOY, *President*; DOROTHY F. LRET, *Secretary*; VERA MICHELES DEAN, *Editor*. Entered as second-class matter December 2, 1921, at the Post Office at New York, N. Y., under the Act of March 3, 1879. Three Dollars a Year. Please allow at least one month for change of address on membership publications.

F. P. A. Membership (which includes the Bulletin), Five Dollars a Year
Produced under union conditions and composed and printed by union labor.

Washington News Letter



DEC. 6.—The Administration is fighting inflation not only to preserve domestic stability but to strengthen its foreign policy, which is predicated on international political cooperation and the abandonment of isolation. The spiral of prices in any country—especially one with the economic power and influence of the United States—has a profound effect on other nations in ordinary times, when trade flows in response to demand and sales opportunities. Even in these extraordinary times, when international commerce is subjected on every hand to rigid official controls, the slow-rising U.S. price level is causing repercussions outside our borders. It has already aroused concern in Canada, which buys many essential goods in our markets, for Canada fears it will be unable to maintain its carefully controlled price ceilings if ceilings in the United States inch upward.

THREAT TO LEND-LEASE AND UNRRA. The effectiveness of Congressional appropriations for current operations abroad would diminish sharply should the value of money here rapidly decline, thereby decreasing the purchasing value of appropriated lend-lease dollars. Inflation would increase the cost of goods needed by the United Nations Relief and Rehabilitation Administration, and it is a serious question whether Congress—which has not yet set aside the amount representing this country's share of UNRRA expenditures—would be willing to appropriate the additional funds that would be made necessary by a rise in prices. The smooth conduct of foreign relations is also jeopardized by inflation, for diplomatic agents are included in that large class of salaried men and women who have to adjust their living standards downward as their inflexible incomes decline in purchasing power.

Inflation, moreover, can affect decisions concerning international policy on its highest levels. For instance, inflation at home as well as abroad helped to drive this country into economic isolation in 1921, following World War I. Congress in that year passed the Emergency Tariff Act, both to satisfy the agricultural West, which was faced with a severe drop from war-inflated food prices, and to protect American industry against cheap goods from inflation-ridden countries in Europe, which by "dumping" might have tried to obtain dollars to bolster up their currencies. This measure was the opening shot in the tariff war that shook the world in the 1920's and 1930's—an

economic war resulting in import-quota schemes, "Buy American," Empire preference, blocked-marks and German trade subsidies and, finally, military conflict.

So, whether inflation comes at home or abroad, it threatens the cooperative policy inaugurated at the Moscow conference. Only China's forced isolation from the rest of the world keeps its severe inflation from having a world effect beyond disturbance of the living standards of resident foreigners. China today can buy practically no goods from other countries, and deterioration in the value of its money has therefore no influence abroad. Nor does inflation in Greece, where the drachma has practically lost its value, affect the world now, since Greece is walled in within the "fortress of Europe." Growing inflation in Germany may have a useful international effect, since it may speed the collapse of Nazism, but the German inflation as such does not affect the world outside Europe. In the post-war world, however, inflation in any country, whether ex-enemy or liberated from the enemy, might jeopardize the international system of political unity for which the United Nations are now planning.

INFLATION IN GERMANY. A flight from currency is already beginning in Germany, where the people want goods that will last, not money that may vanish. Even items like old copies of *Life* are selling at fantastic levels. Inflation so excessive that money loses all value is dispiriting to its victims, and the world is suffering now partly because a beaten Germany once went through the agonies of skyscraping inflation. The 74,954,803,000,000,000 paper marks circulating in Germany at the end of 1923 had a value of only 722,000,000 gold marks in dollars.

The United States and Britain have been discussing currency stabilization, and the Soviet Union plans to join them in a monetary conference to be held sometime this winter. Anglo-American proposals for world currency stabilization are inspired by a determination to prevent damage to international cooperation after the war by checking competitive devaluation of currencies and maintaining stability of exchange rates. Inflation in any of the world's major countries would make such an objective very difficult to realize. To an extent that can hardly be over-emphasized, hopes for world political unity depend for their realization on world economic stability.

BLAIR BOLLES